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THE NATIONAL HOUSING ACT

Statement by
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Minister of State for Urban Affairs

Canada
[Conferences]



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THE NATIONAL HOUSING ACT

Introduction

I have mentioned, in connection with our discussion of the Housing Problems of the 1970's, some of the amendments to the National Housing Act which we are proposing.

You will recall that amendments to the Act were introduced in the last session of Parliament -- Bill C-213 -- and, with the intervention of the general election, they were not enacted into law.

These amendments were the subject of extensive consultation during several months last year between federal, provincial -- and, in some cases, municipal -- officials, in all of the provinces and territories.

As you know, I propose to introduce in Parliament soon another bill to amend the Act. This new bill continues and extends the policies initiated in Bill C-213 and includes some new programs. Some other important changes have been made, many of them arising from representations made by the provinces, during the consultation process and subsequently. I have

distributed to you, prior to this conference some notes regarding the new proposals and I want to assure you that I welcome and invite your comments and advice.

Many of the concerns raised by provincial and municipal officials had to do -- not with policy -- but with regulations and implementation of the legislation. I would like to suggest to you now that, as soon as possible, this kind of official consultation should be resumed.

I do not wish, in any way, to restrict our discussions today, but you might consider that we could most usefully employ the time available in dealing with the principles of the legislation, rather than specific detail.

Range of Choice

Three of the programs which are proposed under this legislation deal particularly with the housing of low-income people -- Assisted Home Ownership, Non-Profit Housing, and Co-operative Housing. An important principle underlying these proposals is the need, not only to make housing accessible to people with low-income, but to

give these people some choice about the kind of housing they will occupy and the form of tenure -- as tenants, members of a co-operative, or as homeowners.

From the point of view of the provincial governments, these programs, collectively, provide a package which covers the needs of people with a broad range of incomes and a wide variety of housing needs. I should add that if there are other ideas -- other ways of delivering housing to low-income people -- with which provinces would like to experiment, we will be very happy to work with them.

Public Housing

For many people, these programs will provide an alternative to public housing but I would like to emphasize that the Federal Government does not propose to do away with public housing. For many people, it is still the best way to obtain good, affordable housing. It is frequently suggested to me that public housing should be eliminated but it obviously continues to be useful, in many areas of the country, and will be retained for those provinces who wish to use it.

I should mention, in that connection, that, through rent subsidies, public housing can now become a more flexible instrument. It can be more scattered, and people offered a wider choice through a system whereby a percentage of units -- perhaps 10 per cent or 25 per cent -- in other kinds of projects will be made available for low-income people who would otherwise be in public housing. These projects can include Limited Dividend, Non-Profit, Co-operative, and perhaps even Insured Loan housing. This diffusion of public housing tenants throughout the community would help to avoid some of the problems which are created for such people when they are concentrated in large numbers in a limited area.

Shared Costs

There is another matter related to the NHA Amendments which I would like to discuss and which I think you will find of some importance. In recent discussions with the provinces there has been concern, in connection with certain programs, about the requirement for matching grants -- the provision that federal grants would be available only on the condition that they were matched by similar contributions by the provinces or municipalities. I have given careful

consideration to these representations by the provinces. I have taken into account the argument that, in some cases, these conditions may have the effect of distorting the programs -- concentrating activity in those provinces which are best able to pick up their part of the grants. I have also borne in mind the responsibility of the Federal Government to see that grants and other subsidies associated with housing programs are available, on an equitable basis, to individuals who need them, wherever in Canada they may be.

I am proposing, therefore, that in the case of three programs which work best at the level of the individual, to make subsidies available without requiring contributions from other governments. These are: the Assisted Home Ownership program, the Non-Profit Housing program, and the Residential Rehabilitation Assistance program.

I am very much aware that provinces and municipalities, in a variety of ways, provide assistance for housing programs, and that this assistance will continue to be available, even though it is not required as a condition of federal grants. I can assure you also, that the dropping of the matching requirements does not lessen, in any way, the Federal Government's policy of full, intergovernmental consultation on all aspects of these programs.

New Programs

I would like to call your attention particularly to some of the new programs which are being proposed and were not provided for in Bill C-213, with which you are more familiar.

In my remarks about the problems facing Canadian communities in the 1970's, I mentioned the New Communities program as one instrument for dealing with these problems.

It would be subject to federal-provincial agreements and carried out within a provincial urban-growth plan. It can be arranged under either a loan agreement or the customary federal-provincial partnership arrangement under which the Federal Government would share up to 75 per cent of the capital costs, profits and losses.

Under the loan arrangements, CMHC would make loans to public agencies or corporations concerned with new communities. The loans would cover up to 90 per cent of the cost of acquiring land for new communities, including open space surrounding them and the land required for connecting corridors, and of the cost of servicing such land. The loans would be for terms of 25 years, or up to 50 years where the land is to be disposed by leasehold. Fifty per cent of the loans may be forgiven where they are to be used for initial planning of the new community or for acquiring land for certain recreational and social facilities.

Grants would also be available, through the Ministry of State for Urban Affairs and CMHC, for certain kinds of research and for experimental and developmental purposes.

I would like to mention, also, the Co-operative Housing program.

Co-operative housing associations in Canada are playing an increasingly important part in making good housing available to Canadians -- particularly in the Atlantic provinces and in Western Canada. Usually this kind of housing is designed to meet the special needs of the co-op members. Often co-op housing projects manage to include a fairly wide range of people of different incomes.

The Federal Government, in the past, has worked closely with residents in many areas in setting up co-operative housing associations. It believes that the National Housing Act should give co-ops every possible help and certainly should not hamper their operation.

With this in mind, new forms of assistance are offered and a new co-operatives section of the Act is being introduced which will make clear the kind of help which is available.

Another proposal deals particularly with a problem encountered on Indian reserves. Indians have had difficulty in arranging conventional loans for housing particularly because their lands can not be alienated, except with the formal consent of the band council, ratified by the Minister of Indian Affairs and Northern Development. Under the NHA, however, CMHC may make a direct loan to an Indian if it is guaranteed by the Minister of Indian Affairs and Northern Development. This legislation has been useful on many reserves but, up until now, it has been available only for new housing. The proposed legislation would amend the Act to make these loans available for existing as well as for new housing. The amendment would help finance the purchase of this housing as it changes hands.

I have mentioned the purchaser protection proposal. As a first step in a comprehensive system of protection for house-buyers, provision is made that, where a builder fails to complete a dwelling he has sold, CMHC may advance out of the Mortgage Insurance Fund, money to the purchaser to have the building finished.

